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U. S. Department of Agriculture

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AGRICULTURE AND NATIONAL DEFENSE

ALLOCATION OF METALS FOR NEW FARM MACHINERY: SPAB's decision on the allocation of critical materials for the production of NEW farm machinery came through this week -- 80 percent of the 1940 calendar year production as against USDA Defense Boards' survey showing need for 107 percent, and a Farm Equipment Institute figure showing dealers could sell 138 percent. The sharp cut is due entirely to the scarcity of metals, particularly steel, copper, and the other basics. There simply is not enough to go around. OADR thinks this 80 percent may not be enough but, because of requirements for direct defense, there is virtually no possibility of upping that. The Department believes agriculture should go ahead on a "do our best basis" with the 80 percent available. This 80 percent applies only to new farm machinery and equipment. A separate allocation will doubtless be made for repair and maintenance parts. It does not cover nails, metal roofing, fencing, other "merchant" type farm supplies. These are blanket-ed under steel warehouse order. Neither does it cover commercial agricultural processing equipment, which is being taken care of on a "do we need this particular plant" system of priorities.

EFFECT ON 1942 GOALS: Obviously, the reduction in the NEW farm machinery supply for 1942 will make production of 1942 goals a tougher task. In addition, the farm labor situation is expected to get worse, particularly in areas near defense industries. There also may be shortages of other farm needs. In spite of these handicaps, feeling in the Department and in field is that goals will be met. One of the prime factors supporting this belief is understanding with priorities people that enough metals will be allocated to take care of repair and replacement parts for agricultural machinery now in operation. The machinery now on farms was used this year to produce one of the largest crops on record. The bulk of this same machinery, if repair and replacement parts are available, can be gotten in shape to make 1942's crop. There will be local difficulties, undoubtedly, but on a national scale there is little doubt that the goals will be met in spite of hardships, provided the seasons are not too unkind.

FARM CANVASS IS UNDER WAY: Farm-by-farm canvass which was planned at time 1942 food production goals were announced has begun in many States. Under direction of USDA State and county defense boards Triple-A committeemen have started to make farm-by-farm canvass to determine what each farm in Nation can do toward meeting next year's goals. Canvass is under way in all States in Western and North Central regions, in a number in East Central, and is just beginning in North-East. South expects to get started by November 1. Plan is to finish job throughout country by about December 1.

110 PERCENT OF PARITY JUSTIFIED: Secretary Wickard testified Tuesday in behalf of Administration's price-control bill before House Committee on Banking and Currency. He said that if ceilings on farm products were set exactly at parity the daily fluctuations on the market would all be between parity and some lower figure, and farmers could not possibly average parity. FARM PRICES FLUCTUATE EVERY DAY, Secretary continued. The supply of a commodity reaching market changes from day to day, and demand changes from day to day. Prices fluctuate accordingly. Fluctuations may be desirable to stop flooding of markets at certain periods. Real purpose of fixing ceilings at a point somewhat above parity is to make reasonably sure that all farmers have opportunity to get parity.

WICKARD SUGGESTED CLARIFYING section 3 (a) of the bill to make it read as follows: "So as not to prevent the season's average prices for any agricultural commodity from averaging 100 per centum of parity, no ceiling shall be established for any agricultural commodity below (1) the market price equivalent to 110 per centum of the parity price or comparable price for such commodity, adjusted for grade, location, and seasonal differentials, as determined and published by the Secretary of Agriculture, or (2) the market price prevailing for such commodity on July 29, 1941." Note the "Market price equivalent."

FARM PRICES NOT OUT OF LINE: Price increases have been from levels that were abnormally low. Only recently has farm purchasing power approached parity. Wickard supported price-control bill as means of preventing inflation of last war with its disastrous results to farmers. He said he hoped farm prices would not go too high. Although they are first to go up they are also first to go down.